

The Assembly met at 10 a.m.

Prayers

READING AND RECEIVING PETITIONS

Clerk: — Yesterday I received a petition, and under rule 11(7) I have examined the petition and hereby lay on the Table a petition from certain citizens of the province of Saskatchewan, praying that your Hon. Legislative Assembly may be pleased to urge the Government of Saskatchewan not to sell SaskTel's CATV cable distribution systems.

Some Hon. Members: — Hear, hear!

INTRODUCTION OF GUESTS

Mr. Young: — Mr. Speaker, it's my pleasure this morning on behalf of my colleague, the member from Rosthern, to introduce to you, and through you to the House, a group of 16 grade 12 students seated in the west gallery from the Waldheim High School. They are here accompanied with their teacher, Mr. Speaker; Dave Hinz, and chaperons, Mrs. Buechert and Mrs. Willems. I'd like to ask all members to welcome them to the House, and I'd advise them that I will be meeting with them at 10:30 for pictures.

Hon. Members: — Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, it gives me a great deal of pleasure to introduce through you and to the House, to all the members, 22 grade 9 students from the Lake Lenore High School. They're seated in the Speaker's gallery. They're accompanied by their teacher, Richard Shafhauser, and by their chaperons, Kathleen Mueller, Linda Weber, and Michele Yaeger.

I will be meeting with them at 10:30 for pictures and for drinks and questions following that. I welcome them here; I ask other members to join with me to welcome the students from Lake Lenore and their company.

Mr. Hopfner: — Thank you, Mr. Speaker. I, too, would like to join with the member from Quill Lakes. It's some years that I've lived in Lake Lenore, but I would like to say that it was one terrific community, and I, too, would just like to welcome these students from Lake Lenore. Thank you.

Hon. Members: — Hear, hear!

Hon. Mr. Taylor: — Mr. Speaker, I'd like to welcome 26 grade four students from Grenfell Elementary School. They're seated in the Speaker's gallery, and they're accompanied today by their teachers, Gordon Warman and Carol Piller, and bus driver, Sharon Moffat.

I hope you enjoy the proceedings here this morning, and I look forward to meeting with you and answering some of your questions and any concerns that you would like to talk over after question period. So have a good time in Regina today; have a safe trip home, and say hello to everybody in Grenfell.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Trade Complaint Against Canadian Lumber Exports

Hon. Mr. Blakeney: — Mr. Speaker, my question is to the Minister of Economic Development and Trade, and has to do with the role of the Weyerhaeuser corporation in the U.S. attempt to slap a 27 per cent duty on Canadian lumber exports. Yesterday in the House, the minister, in what I felt was a speech but he said was an answer to a question, claimed that the Weyerhaeuser corporation in the United States is not part of the U.S. coalition which has launched a petition for a 27 per cent duty, even though Weyerhaeuser is a member of two lumber industry associations which are charter members of the coalition. At one point the minister said:

Weyerhaeuser . . . is against the position being taken by the association in the United States.

My first question to the minister is this: With respect to the Western Wood Products Association, and with respect to the National Forest Products Association, did these associations have votes, and how did Weyerhaeuser vote in each case?

Hon. Mr. Andrew: — Mr. Speaker, as I indicated to the hon. member yesterday, and as I see in the Prince Albert Herald of Thursday, May 22nd, Weyerhaeuser made it very clear that they were not part of the coalition and they did not support the position being taken by the coalition.

Now there is, Mr. Speaker, as the hon. member knows, quite a difference between being a member of some association and being a member of an active lobby group for coalition involved in a particular position. Weyerhaeuser has made public statements, has made it very clear, both in Canada and in the United States that they are against the lobby coalition trying to impose countervail on Canadian lumber and Canadian lumber products. They've made that very, very clear. They are against that and they are in favour of freer trade and an open border between Canada and the United States.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. The minister says that Weyerhaeuser has made it clear that they are against the action of the coalition. Mr. Minister, I put it to you that when the National Forest Products Association voted on the petition, Weyerhaeuser did not oppose the action but, rather, abstained.

I ask you whether that is true, and I ask you whether this is the type of strong opposition on which you are depending in order to oppose the action of those who are wishing to slap on a 27 per cent duty.

Hon. Mr. Andrew: — Mr. Speaker, I can read from the *P.A. Herald* the statement being made by a Barney Lukas of Weyerhaeuser:

. . . told the Herald today that his parent company would have a lot to lose if the 20 per cent

countervail duty was imposed by the U.S. on softwood.

Obviously Weyerhaeuser indicates that they have a lot to lose, and they are not part of the coalition asking for the imposition of that duty.

Now, Weyerhaeuser has publicly stated, both in Canada and in the United States, that they are against the lobby and the coalition trying to impose this particular countervail on Canadian forest products. They're against it on principle, and they're against it on the fact that it would cost them money because they have holdings in Canada.

Now it seems to me that we as Canadians and we as people of Saskatchewan, who sell much of our lumber product that we produce in the Saskatchewan forests into the United States — it is very important that we continue to have access to that market. And if companies operating both in Canada and the United States — and large companies — are prepared to stand up publicly and say: we are against what the Americans are trying to do, then we should say: good, that's the type of position, that's the type of corporate policy that we in this country would like to see. That means jobs for the people in Prince Albert, and that means a market for the product that we produce in this province. And that is very, very important — that is very, very important.

Weyerhaeuser is acting responsibly. They are against the lobby; they are against the countervail, and I think we should be happy about that.

Hon. Mr. Blakeney: — Mr. Speaker, supplementary. The minister says Weyerhaeuser is against the lobby. That is what he has said over and over again. Does the minister deny that he, the minister, provided the press of this province with material yesterday which said, in part, as follows:

Simpson Timber Company, together with Weyerhaeuser, abstained from the National Forest Products Association vote deciding whether or not the countervail suit should be initiated.

Do you not agree that you have provided the press with that information, and do you say, Mr. Minister, that that amounts to vigorous opposition to the coalition's attempt to slap a 27 per cent duty on Saskatchewan lumber?

Hon. Mr. Andrew: — Mr. Speaker, to the members opposite, I spoke to two members of the media yesterday. I handed out nothing to the members of the media yesterday. I simply quoted to them exactly the same thing I quoted in this House ... (inaudible interjection) ... Well that is exactly what we said, Mr. Speaker.

I continue to say, as I said yesterday, and I think we should be quite proud of it — if Weyerhaeuser is prepared to stand in opposition to the U.S. policy of countervail, we should be happy about that. That means jobs for us. What the member opposite is trying to do, as I indicated yesterday, you want to cast out because you don't really like Weyerhaeuser coming into Canada to build a paper-mill. That's what you're really against. They are

taking a strong position against ...

Some Hon. Members: — Hear, hear!

Hon. Mr. Andrew: — They are taking a strong position against the U.S. countervail. They are coming into our province and building a large project, creating jobs. You are against it. When you're in Regina you're against it; when in Prince Albert, you're in favour of it. And that is really the issue that you're talking about. And why don't you stand up and really say where you stand with regard to the Weyerhaeuser project that you have been wishy-washy on for the last two months.

Hon. Mr. Blakeney: — Mr. Speaker, I asked the minister a question. I got a speech on an irrelevant subject. I asked you ... And when the occasion comes for making speeches, I will make them, and I wish you would confine your speech making to the appropriate occasions.

Now I ask you, Mr. Minister, a very, very short question: do you deny, Mr. Minister, that when the National Forest Products Association voted to decide whether or not the countervail suit should be initiated, do you deny, first, that Weyerhaeuser is a part of the association, and secondly, that they abstained on the vote? Do you deny that?

Hon. Mr. Andrew: — I mean, this is like saying, if you belong to an association ...

An Hon. Member: — Answer the question.

Hon. Mr. Andrew: — Well the members opposite yell and squawk about answering the question. That's exactly what I'm going to do.

Some Hon. Members: — — Hear, hear!

Mr. Speaker: — Order, please. Order.

Hon. Mr. Andrew: — Mr. Speaker, the point that the Leader of the Opposition seeks to raise: if one is part of an association, and many people are part of an association whether you're a member of the law society, as you are ...

Mr. Speaker: — I'm going to ask the members to come to order. It's impossible to operate with the amount of noise we've had the last two days, and I'm asking members to come to order, and I called both sides of the House to order.

Hon. Mr. Andrew: — Mr. Speaker, the point I make is this: if you're a member of an association, whether it's the law society or whether it's a member of a variety of groups, your association is for a wide variety of things that you belong to an association, and various people in that association might have a view that's different than something else, and the association will carry on with a particular lobby here and you can speak out against it. Within your own party — there's a group within your party that want to have prostitution in co-ops. Now you've indicated, I think, that you weren't in favour of prostitution co-ops (within the province of Saskatchewan — same type of thing ... (inaudible interjection) ...

Mr. Speaker: — Order, please. I would ask the minister to . . . (inaudible interjection) . . . Order, please. When I'm on my feet I'll ask the member for Quill Lakes to be quiet.

I would ask the minister when he's answering questions to stay with the question and not be making speeches.

Hearings on Bill Reducing Federal Transfer Payments

Mr. Lingenfelter: — Mr. Speaker, I have a question to the Minister of Finance. Mr. Minister, it has to do with the Mulroney government's legislation now before parliament to cut transfer payments to the provinces for health care and post-secondary education. The Minister of Health has already indicated in estimates that he expects the cut-backs to cost the province about \$9 million this year as a result of this Bill being passed, and the Canadian Hospital Association has said that the legislation will see federal payments to Saskatchewan for health cut by \$154 million. I wonder, Mr. Minister, can you indicate clearly whether or not the Saskatchewan government will appear before the parliamentary hearings on this legislation now under way in Ottawa, and will you be there to oppose the legislation and to try to convince the Mulroney government to live up to its obligation of supporting health and post-secondary education?

Hon. Mr. Lane: — Well, as I indicated yesterday, we are taking our position directly to the Minister of Finance, and the Minister of health for Saskatchewan has taken the position as well to the federal Minister of Health. We think that that is the appropriate governmental response. Rather than go through the parliamentary committee, we are taking any objections that we have directly to.

I think it's been the past practice that provinces don't always appear before parliamentary committees, and we believe that a direct government, a government response is the appropriate forum to take our concerns.

Mr. Lingenfelter: — A supplement to the minister. I wonder, Mr. Minister, if you can indicate to the Assembly your position and your government's position on Bill C-96; that you agree with the Minister of Finance that as a result of this Bill being passed in its present form, that this year it will cost the provincial government about \$9 million in transfer payments, or in health, \$9 million in transfer payments; and that over the life of the Bill, the five-year period coming up, it'll cost the province about \$154 million. Do you agree with the position, at least that there will be a loss to the province of Saskatchewan?

Hon. Mr. Lane: — Well the 150 million figures are ones that you are taking at face value, and figures given by another organization. The analysis that we are going through is not to that extent. But we should keep in mind that, one, that it is not a reduction in cost; that they are capping the increase in the transfer payments. The transfer payments — and it was your government's policy when you were in office — are not segregated health versus education. So don't try and attribute it all one to the other.

Having said that, yes, we would like the existing system to

be maintained. We have made that abundantly clear to the Government of Canada . . . (inaudible interjection) . . . Oh yes we have. And, secondly, we also are the only party in Saskatchewan to make the commitment, Mr. Speaker, that we will maintain the health and education systems as we have proven over the last four years with the dramatic increase — 70 per cent increase in health alone — and that those affected in the province of Saskatchewan need not be concerned.

Mr. Lingenfelter: — Mr. Minister, I want you to be a little more clear as Minister of Finance. Your seat mate and Minister of Health has indicated that there will be a reduction in transfer payments this year of \$9 million. Do you confirm that that is the amount that Bill C-96 will cost the province? Do you agree with the colleague from Wolseley, the Minister of Health?

Hon. Mr. Lane: — yes, we look at the \$9 million, but we should also keep in mind that health budget, for example, in Saskatchewan is up 11 per cent this year. Manitoba has taken the other position yesterday — NDP Manitoba — has increased health by 4.5 per cent which is, in effect, a dramatic reduction in Manitoba health expenditures.

Mr. Lingenfelter: — Mr. Speaker, supplement to the minister. He has now clearly indicated that he agrees with his colleague, the Minister of Health, that there will be a cut-back in funding to health in the province when Bill C-96 is introduced. I have here a letter from the Premier of the province, Premier Grant Devine, and I want to quote from it by way of background. in the letter he says:

As a result of these gains, Saskatchewan's EPF (established program of financing) revenue in '86-87 under the new proposed formula will actually increase over previous forecasts by about \$10 million. According to current long-term growth forecasts, we expect Saskatchewan's EPF revenue under the proposed formula to increase by approximately \$168 million over the next five years.

This is the Premier speaking. Now we have here an interesting proposal. The Minister of Finance and the Minister of Health say it's going to result in massive losses. The Canadian Hospital Association has indicated that it will be about 154 million over the next five years. The Manitoba government has said that in the province of Manitoba it will cost \$313 million. We have a Premier who believes we're going to make money by it. I ask the minister this: is our \$2 billion deficit a result of this individual, the Premier of this province . . .

Mr. Speaker: — Order, please. The member rose on a supplementary. Supplementaries are not allowed to have a long lead-in, and I think anybody would recognize that that has been an extensively long lead-in. And I'd ask you to get directly to the supplement.

Mr. Lingenfelter: — Mr. Speaker, my question . . . I had started my last sentence by asking the question, and I would like to continue. My question to you is this: is part of the problem that we have a \$2 billion deficit the fact that we have a Premier who believes, when he's getting ripped off by the federal government by \$154 million

over five years — is it the fact that the Premier doesn't understand, and he's now filling the pockets of the federal government like he's filled the pockets of the oil companies, Peter Pocklington, and the banks?

Hon. Mr. Lane: — It's obvious one of the difficulties the opposition has — they don't understand what the situation is. Under the established program funding agreement with the federal government, there are increases every year. There are increases every year. And the Premier's statement is accurate. But, Mr. Speaker, there is a capping on what would have gone under the previous agreement. So it's still being increased every year, but not to the extent under the previous agreement. So the difference between the previous agreement and what we expect this year is \$9 million less. But there is still a substantial increase of transfer funds from the Government of Canada.

So what the opposition has failed to grasp throughout this whole argument, and they spent three weeks failing to understand it, is that there is an annual increase every year. There is more moneys coming every year — not as much as previously, but there is more coming every year, Mr. Speaker. And I indicate again that the health expenditures in this province are up 70 per cent over the last four years.

We will continue to maintain health. We will not cry and whine and say, it's somebody else's fault. We believe we have an obligation to maintain the health services and the educational services, and we will continue to do so, Mr. Speaker.

Some Hon. Members: —Hear, hear!

Statement by Crown Prosecutor in Case Concerning a Member

Mr. Sveinson: — Mr. Speaker, my question is to the Minister of Justice, and it involves the Crown prosecutor presently involved in a case against my colleague from Canora, Mr. Lloyd Hampton. The day before yesterday, in a court proceeding in Canora, the Crown prosecutor, Mr. John Hillson, who represents the Attorney General, suggested that several people involved in the case . . . He suggested it in the press — questioned the integrity of the Plains Hospital, questioned the integrity of a physician who attended a witness, questioned the integrity of the family of my colleague.

I ask the Minister of Justice if this gentleman is in a position to prosecute this case, or is he in a position to politically assassinate my colleague and bring down the integrity of several institutions who, in fact, are very upset with his actions playing in a court room before the Saskatchewan press. And was he instructed by your office to participate in this assassination?

Hon. Mr. Dutchak: — Well, Mr. Speaker, the member unfortunately is making some serious allegations affecting our system of justice in Saskatchewan. The member must know — and certainly counsel for the accused, for all accused in Saskatchewan, know — that if there is a specific complaint about the conduct of the Crown counsel, there is a process available to that

particular lawyer to report the matter and complain of the conduct. There has been no attempt, to my knowledge, to go through those types of channels.

I don't intend to change the procedure, Mr. Speaker, because an elected member happens to face a criminal charge. And I believe the tradition in this province has been that way for many years. Our Department of Justice has that reputation, and I don't intend to change it, Mr. Speaker.

Mr. Sveinson: — New question, Mr. Speaker. And I'd just like to refer to an article in the *Leader-Post*, May 22nd, and just by way of information:

Crown prosecutor John Hillson told court all was set for the trial until Tuesday afternoon (the day before the trial) when Hampton's lawyer, (Mr.) Ken Wasylyshen, telephoned him to say that Jean Hampton was ill with cancer and couldn't appear at the trial.

At that point, Mr. Speaker, the Crown prosecutor had a letter in his hand from a Regina physician indicating Mrs. Hampton's health wasn't in good enough condition to appear in court the following day. The statement is absolutely erroneous. He goes on to say that:

Hillson said he was later told by a doctor that Jean Hampton was suffering from asthma, not cancer, and while her problems might be stress-related, there was no reason she couldn't appear.

That particular physician from Canora refused to admit Mrs. Hampton to the hospital the night before the court case. And as it follows up in the article in the *Leader-Post*:

Then late Tuesday, the wife of . . . Western Canada Concept member from Canora entered the emergency ward of (the) Preeceville Union Hospital, he said. She was sent home from the Preeceville hospital (and), in Hillson's words, "She somehow ended up in the Plains hospital (in Regina), entered the emergency ward and she remains there today."

She's still there today. she's under constant health care. She's been on oxygen since she was admitted. Why was she refused admittal to the Canora hospital? Well that question is not before — or the Preeceville hospital — before the Assembly today. Why does the counsel, or the prosecutor representing the Crown in this case, question the integrity of the Plains hospital suggesting she was admitted at anything less than a serious illness?

Hon. Mr. Dutchak: — Mr. Speaker, this matter is before the courts; it's a criminal charge. Mr. Speaker, it's obvious the NDP members don't want to hear the answer either. And if they would be silent for a minute, I would give a full answer.

There has been no specific and unusual instructions provided from my office to the prosecutor in this case. The matter is being handled as any other case in Saskatchewan would be handled under the circumstances. If the accused and his counsel have a

specific complaint about the conduct of a Crown counsel, there is a process in place.

Mr. Speaker, the allegations coming from the member are unfortunate, and he's starting to sound like the NDP members a few weeks ago. The justice system in Saskatchewan will not be changed or guided by the political problems or aspirations from any members opposite, and I don't intend to change that.

Mr. Sveinsson: — A new question, Mr. Speaker. Several weeks ago in this House another member on the government side was not charged and — I certainly agree to that situation — stood in the House and admitted his innocence.

In this case a member of the opposition is taken by a Crown prosecutor who has the press following the case in the court room, politically assassinates him and his family, draw the attention of the integrity of our whole health system, and you're standing in this House, Mr. Minister, and suggesting that the procedure is all well, and that you are not directing this case of political assassination against my colleague. Are you suggesting that this prosecutor is acting on his own volition and not from direction from your office?

Hon. Mr. Dutchak: — Mr. Speaker, in this case, as any other prosecution case, I provide no specific directions of conduct to any Crown counsel. Let me make that perfectly clear. And the member should know better.

In this case, if the accused counsel feels that his party — his accused has been aggrieved, if something improper has been done, there is a process. The counsel is to report the matter, and this channel of report is well-known to either my department or my office, and the matter will be dealt with as we deal with similar matters on other occasions.

Other complaints have been received by the Department of Justice. There's a method of dealing with the problems. The fact that an elected member happens to be the accused in this case doesn't mean that I should change our system of justice, and I don't intend to do so. And I resent the insinuation that any instruction came from my office to the Crown prosecutor in this specific case because it certainly did not.

INTRODUCTION OF BILLS

Bill No. 45 — An Act to amend The Urban Municipality Act, 1984

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to amend the Urban Municipality Act.

Motion agreed to, Bill ordered to be read a second time at the next sitting.

Bill No. 46 — An Act to amend The Court of Appeal Act

Hon. Mr. Dutchak: — Mr. Speaker, I move first reading of a Bill to amend The Court of Appeal Act.

Motion agreed to and the Bill ordered to be read a second

time at the next sitting.

Bill No. 47 — An Act to amend The Direct Sellers Act

Hon. Mrs. Duncan: — Mr. Speaker, I move first reading of a Bill to amend The Direct Sellers Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

INTRODUCTION OF GUESTS

Hon. Mr. Swan: — Today I'm pleased to have a group of students from the Kyle Composite High School. They are 31 grade 7 students. They're seated in the Speaker's gallery, and today they're attended by their teachers, Mrs. Wendy Turner and Miss Pam Bogdanoff, and their bus driver, Mrs. Carol Argue. I'll be meeting with the students about 11:30 this morning.

I would ask the Assembly to welcome these students, and I trust that they will enjoy their time here in Regina and in the Chamber.

Hon. Members: — Hear, hear!

Mr. Sveinsson: — Mr. Speaker, I would just like to welcome the students from Kyle as well. I graduated from the Kyle high school, lived there most of my younger days, and I certainly have fond memories of Kyle and the people from Kyle. I have many good friends in that area still, and I certainly welcome the students from Kyle to the Assembly, and I hope you enjoy your stay in Regina.

Hon. Members: — Hear, hear!

POINT OF PRIVILEGE

Mr. Sveinsson: — Mr. Speaker, I rise on a point of privilege. In the press last night and this morning it was indicated that I allegeded somehow that you, the Speaker, was involved with a government conspiracy which was involved in muzzling me in the legislature.

I certainly didn't mean to draw you into the conspiracy, Mr. Speaker, and in fact if the public perception is out there that you're involved in the conspiracy, I apologize to you, and certainly will deal with the government on my own terms.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Thank you.

ORDERS OF THE DAY

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 44 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Parks Act

Hon. Mr. Bernston: — The (Parks) Consequential Amendment Act is a companion Act to The Parks Act. The

consequential Act has the effect of changing reference from the previous Provincial Parks, Protected Areas, Recreational Sites and Antiquities Act to The Parks Act in several Saskatchewan statutes.

The consequential Act also clarifies the authority of other Saskatchewan statutes in relation to park lands. The most notable of these clarifications is that park lands, once designated, will be administered exclusively under The Parks Act. Previously these lands were administered under at least three statutes.

Mr. Speaker, I move second reading of an Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Parks Act.

Mr. Lingenfelter: — Mr. Speaker, as the minister has indicated, this is a consequential Bill which ties into a Bill which is now, I believe, in adjourned debates, and we will be making a number of comments and asking a number of questions about the main Bill when it gets into the committee stage.

I believe my colleague from Athabasca has put on the record our position very succinctly and clearly on the Bill and will want to ask some questions on this and the other main Bill when it gets into the committee stage, and I, therefore, will not be making a longer statement at this time. But we look forward to asking the minister who is responsible for the Bill, and I hope he's here in the Assembly at that time, some questions on both of the Bills.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

COMMITTEE OF THE WHOLE

Bill No. 6 — An Act respecting the Application to Saskatchewan of the Convention on the Civil Aspects of International Child Abduction

Hon. Mr. Dutchak: — Yes, Mr. Chairman, I have with me three officials: Doug Moen, Susan Amrud and Madeleine Hollman.

Clause 1

Mr. Lingenfelter: — Mr. Minister, I want to ask a couple of questions about the Bill that we're dealing with on international child abduction, and the questions are relatively straightforward and I think more informational as opposed to confrontational, because this isn't a political Bill in any sense of the word.

But what I was wondering, in terms of meeting with your colleagues from across Canada, can you indicate whether or not this Bill is a standard Bill that is drafted and follows along the lines of other Bills being passed by provincial legislatures across Canada? and if you could give me an indication if it's a standard Bill; if not, what changes would there be from those in other provinces? Is it an expanded format, or less stringent?

And as well, you indicated in your opening remarks that Canada has already ratified the international agreement. And I wonder, is this Bill necessary, or is this a statement

more or less being made by the province to confirm the statement being made by the federal government? What I'm wondering is, in a jurisdictional sense, is whether or not, if we didn't pass the Bill, that the agreement that Canada has now entered into, wouldn't it already be suffice to carry out the needs that are being felt by many families in the province at the present time?

Hon. Mr. Dutchak: — In answer to the member, the Act is uniform with other jurisdictions, our counterparts, in substantive issues. So the Act is very similar in nature. The other question you had was on specifics, and perhaps when we go to the clause by clause we can indicate where we differ. In relation to the issue of passing it, it is necessary that the province pass the Bill for it to take effect here because of our jurisdictional responsibility.

Mr. Lingenfelter: — I wonder if the minister, as we go along, if you'll explain the differences that exist; if you will also indicate now which provinces have passed this type of legislation. I am curious to know where we fit into the process at the present time. Can you give me a list of provinces that have passed? That's one category — those provinces that have introduced and those that haven't started the process yet. Have you got that handy and could you tell us that now?

Hon. Mr. Dutchak: — Yes, it's easy for me to indicate who hasn't yet passed their legislation. That would be Prince Edward Island, Alberta, and Northwest Territories.

Mr. Lingenfelter: — And at the present time do you have an understanding with those jurisdictions that they have legislation that is going to be passed in the near future? Have they made a statement, I guess, saying that they support the legislation and will be doing so in the near future? And you may not have that information. But if you have it, I'm interested, and there will be others interested in knowing that there's a unanimity in the passing of this type of legislation across the country.

Hon. Mr. Dutchak: — Yes. I believe Alberta has made a commitment and they're in the process of having theirs prepared and completed, and the same with Prince Edward Island. So we were in the middle of the pack, so to speak, in terms of passing ours. And it's essential that we do because it does recognize a long-standing problem and provides some predictability for families.

Mr. Lingenfelter: — The minister maybe could explain discussions that took place within the province leading up to the Bill's introduction. Did you have any consultation with groups or organizations who are interested in this Bill coming forward? I don't believe there was a white paper or a green paper or any of that type of a discussion paper around. But did you have formal discussions or informal discussions with groups or individuals, some type of a hearing process into this, over the last two or three years?

(1045)

Hon. Mr. Dutchak: — Yes. There has been some discussion within Saskatchewan in addition to the national discussions which have taken place with groups such as Child Find. And as the member may know, one of

our government members, the member from Saskatoon Nutana, has been involved with Child Find and has been helpful in achieving progress in this regard.

As you know, this is the last day of Missing Children's Week, and it's quite appropriate and in fact coincidental that we happen to be discussing this on today's date.

Mr. Lingenfelter: — The minister indicates that there was discussion with Child Find. Were there any other groups or organizations involved in the discussions that went into the design of the Bill?

Hon. Mr. Dutchak: — The decision to proceed was reached in The Hague Convention process in this matter. There was consultation on a national basis and obviously with the legal community as well, and we feel comfortable that people were talked to and consulted with in relation to this area.

It's something that has been under consideration for a good period of time, and obviously we don't hear much about it until the media covers an unfortunate circumstance which could be avoided by this type of legislation. However the government is comfortable that all groups concerned who are involved, or all individuals, will be pleased with this particular legislation and the effects of it.

Mr. Lingenfelter: — While the minister indicates that this . . . While basically the Bill gives effect to the U.N. convention — and I agree with that — I wonder, was there any opposition within the province that was brought to your attention? Did any groups or individuals come forward with complaints or additions that they would have liked to have seen to the legislation?

I suppose what I'm asking here is not opposition inasmuch that they were opposed to it, but possibly that it wasn't a strong enough Bill or a strong enough statement. Were there any concerns in that area expressed on either side of the proposed Bill when you were drafting it and designing and crafting the legislation?

Hon. Mr. Dutchak: — No, I don't recall any that have been made to me, and my officials advise that no concerns were raised with them of that nature.

Mr. Lingenfelter: — The other question that I would like you to give to me and to the committee is: as this Bill is being effected here — and Canada has agreed with it, as I understand — can you tell me the date that the agreement was signed by the Canadian government? I'm just interested in knowing what the circumstances were around the signing. Was it at the initial stage when there were a group of countries come together?

The other question that I want to ask is: how many countries . . . if you will get for me the number of countries that are now part of the agreement of putting into effect the U.N. convention on international child abduction.

Hon. Mr. Dutchak: — Canada was one of the nations that signed at The Hague on the 25th day of October, 1980, and eight countries have agreed, and it's the type of continuing process where further countries are passing

the necessary legislation as time goes by.

Mr. Lingenfelter: — I wonder, can the minister indicate . . . You say eight countries have signed. Have you got the list of the countries that are now signatories of that convention?

Hon. Mr. Dutchak: — The countries that have acceded so far are Canada, Portugal, France, and Switzerland; and four more that have signed are the United States, United Kingdom, Greece, and Luxembourg.

Mr. Lingenfelter: — I wonder if you could for me, Mr. Minister, in section 4 of the Bill — I may not be reading it quite right — but would you explain what this means? Would you just give a short explanation of section 4?

Hon. Mr. Dutchak: — What this clause takes into account is the process that must be followed after we're done our job in Saskatchewan, when we notify the federal government, who, pursuant to the requirements, activates the legislation. And this could take up to six months from now for it to take effect.

Mr. Lingenfelter: — So what you're saying here basically, that there's a lag period of about six months from the time it gets Royal Assent in this Assembly till it has impact.

Hon. Mr. Dutchak: — That's correct.

Mr. Lingenfelter: — The minister has indicated that other provinces will all be included in this, and I think he's given me a commitment that as we go through the Bill, you will indicate where some of the meaningful changes are with other legislation. And with that, Mr. Chairman, I think we are ready to proceed through section by section of the Bill. And I would just like to say that I believe my colleague, the member for Quill Lakes, has indicated that we support the principles of the Bill. And therefore, if we can just go through, and if you can outline at some point what some of the changes are. And that may not be . . . If you don't have it here and if it's too complicated, if you would agree to send me a script of the different legislations in different provinces and the basic changes — not a technical Bill, but if you would give a brief outline of the different areas — that would be acceptable as well.

Hon. Mr. Dutchak: — We'll provide the member with that.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Hon. Mr. Dutchak: — Mr. Chairman, I would like to bring this one to the attention of the member, just so he's aware that it does mention The Legal Aid Act. And this is a clause that we don't feel will have to be used. However, it provides the ability for the Crown to pursue costs in certain cases, which albeit may be rare. However, we felt that that clause should be in there.

Mr. Lingenfelter: — Could you just explain to me when

the ... As it says here, " ... court proceedings except to the extent of costs assume for residents of Saskatchewan pursuant to The Legal Aid Act." When will that kick in, or will that be an automatic thing for certain groups, or income level, or how will that be determined? Or is it done on an individual basis by review of the department? I guess that would be the question I would have, of when The Legal Aid Act would have impact in these cases.

Hon. Mr. Dutchak: — I want to indicate that it would be extremely rare that this clause would be implemented. However, the Crown will always reserve the right to proceed for costs, in a situation of extreme difficulty, where perhaps outside counsel will be used and the individuals involved clearly can afford to pay. It's a safety clause that was inserted.

Mr. Lingenfelter: — And if you could just explain to me who will be making that decision. Is it the discretion of the deputy minister or is there someone in the department who will be responsible for making that decision? I would just like you to indicate at what level. First of all, obviously it is a discretionary decision. And who in the department will have that responsibility?

Hon. Mr. Dutchak: — As a matter of policy I've directed that the deputy attorney general would have the responsibility.

Clause 5 agreed to.

Clause 6 agreed to.

Clause 7

Mr. Lingenfelter: — In clause 7.1, I ... Just to read to you part of 7(1):

If it is necessary to learn or confirm the whereabouts of a person in order to give effect to the convention, the minister may demand from any person or public body, ...

I'm just wondering here — I'm not accusing of too much power, but in putting that clause in this is one area I was wondering whether you had any opposition or whether you felt it necessary that it had to be stated that strongly that when it comes to:

... the whereabouts of a person in order to give effect to the convention, the minister may demand from any person or public body, including Her Majesty the Queen in right of Saskatchewan, information with respect to the location and address of that person that is in any record in the possession or control of the person or public body.

And basically here what we're talking about is government records, in Social Services and in other departments, where now we have a law that will be able to demand that kind of information. I'm just wondering the background. And here I'm not arguing one side or the other, but can you give us a little background here on why that statement has to be that strong and whether you have any personal concerns, as Minister of Justice, that it may be open to abuse in getting files, personal files, out of

departments. And you know how that could have a tendency to be abused if it weren't watched very closely.

I would just give a word of caution to the minister that this not be ignored, and that it be paid very close attention to, that in getting files this gives very broad power within this Act to get personal files out of any department in government. I understand what you're saying here, and that it may be necessary, but I'm just wondering whether it isn't also open to abuse.

Here I'm not suggesting that this minister would ever do anything like that, but the time may come when we would have concerns about information being drawn out of other departments that may have severe consequences to the individual whose file is being taken out.

Hon. Mr. Dutchak: — Yes, certainly we've considered all aspects of the concerns raised by the member. The terms referred to, however, is used in other provincial legislation, just as The Enforcement of Maintenance Orders Act, and it is intended, and specifically regarding getting an address, for example, of an individual. And it's necessary to supersede other legislation that may interfere with the legitimate process intended by the legislation.

(1100)

Mr. Lingenfelter: — Well I would just indicate again, and I don't want to dwell on this, but information respecting the location and address of that person is just very important, and when that request goes to other departments that it be for the name and address, and nothing else in those personal files be transferred. And I just end that discussion at that point.

But I would just like to say as well that in giving more powers to any department, the public always has concerns, and I'm not saying that there shouldn't be more red tape and more power in certain instances, but I think we would be foolish as well if we didn't worry about Bills that give very strong powers and be concerned about the possibility of abuse of governments on an individual or on personal files.

Hon. Mr. Dutchak: — The member will note that the Act provides, in the event of a refusal for any reason, a judge would then make the decision whether the information would be provided or not. And clearly the governments always are very selective and we're very restricted in the way they use this type of a clause. However it's been used in other legislation and it's been successful and has not been abused in any case, to our knowledge.

Clause 7 agreed to.

Clauses 8 to 11 inclusive agreed to.

Schedule

Mr. Lingenfelter: — Mr. Minister, if I could just ask one question on the schedule under article 13. I have a little note here that I'm not clear on, but this is ... the entirety of article 13 is accepted as well?

Hon. Mr. Dutchak: — Yes.

Schedule agreed to.

The committee agreed to report the Bill.

Hon. Mr. Dutchak: — I would like to thank my officials for their assistance.

Bill No. 35 — an Act to amend The Reciprocal Enforcement of Maintenance Orders Act, 1983

Clause 1

Mr. Lingenfelter: — This Bill, as the minister indicated, I believe, in his remarks in second reading on, I believe, it was May 5th in a very short statement, indicated that this was basically a Bill of housekeeping nature. And having perused it and looked through it, I certainly agree with him that that's exactly what it is, and we will be letting this Bill proceed.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 36 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Enforcement of Maintenance Orders Act

Clause 1

Mr. Lingenfelter: — This Bill, as well, is purely of a housekeeping order, but I just think that I should make a couple of comments on it. First of all, I want for clarification that first of all the basic changes are in section 2 that repeals a provision with regard to the pension benefits, and then section 4 which replaces that repealed provision with a new and revised and maybe clearer provision. I believe that's what is the changes there. But you add to that if there is something else.

And in section 3 it amends The Labour Standards Act to give to an employee, whose wages are being garnisheed to pay a maintenance order, protection from being fired because of that garnishee. And I have a couple of other comments that I want to make about that part of it. But if you would just indicate to the committee if those are the two basic changes; and if there's more to it, if you could indicate what they are.

Hon. Mr. Dutchak: — No, those are the two basic changes.

Mr. Lingenfelter: — Having said that, and having stated that the Bill is of a housekeeping nature and that we basically will be giving our support, I would be remiss if I didn't say that this is, I suppose, an indication of — and I don't want to be critical of people who draft legislation, but we should be more careful in bringing legislation before the House. And I suppose "sloppy" would be too strong of a word, but the fact is that consequential amendments were passed at the last session, are now

being amended again.

And I'm not being overly critical here. But I just say that in drafting up the legislation I suppose one could say that, had we done it right . . . And here I'm indicating in section . . . referring to section 2; I'm referring my comments about section 2, rather than section 4, which you have indicated there are changes in.

Under section 4 and the amendment that is taking place here, section 4 of this Bill enacts a different change to The Pension Benefits Act, as I understand it, from that effected by 1984-85-86. And in my opinion this could be an improper use of a consequential Bill, that there's a change occurring here that people may say should actually have taken place in a different form as opposed to in a consequential Bill.

But I would like you to explain why that change is taking place here, rather than where we would suggest that it should be taking place — in a regular Bill as opposed to a consequential — and I just make that point.

Hon. Mr. Dutchak: — This amendment is necessary as a result, and is consequential, of the enforcement of maintenance orders Act. It was necessary and this is the proper process. And there was a danger, if the change wasn't made, that payments into a pension plan would be garnisheeable, and we simply want to guard against that.

Mr. Lingenfelter: — The point isn't whether or not it can be effected here. But I would just put to you that the more logical way to have done it would have been an amendment to The Pension Benefits Act. And I think that what we're seeing here is a change in a consequential amendment Act that should have been done in a different manner.

And I suppose there's 10 people in the province who would worry about it. But I just think that if this trend would continue — of making changes in a consequential amendment Act, that, we believe, should be made in a regular Bill — that it's an improper use of the . . . It's basically really not a consequential amendment at all. But I'm not going to debate this for a long time.

But I wanted to get that on the record so that if this is a trend that continues, that we're being more than expressing a little concern, and I'm not going to hold this Bill up because of it, but I wanted to put on the record that we're concerned about it, and the minister will know that we have to watch this government at every turn for what they're slipping through here, here, and there.

I'm not as concerned about section 2 because I know that that can happen. You can have a Bill that has to return to the House in the next session to get cleaned up, and that's fair. But here what I'm saying is that I think there's something happened here that is not consequential. It's really very much a basic change that should have taken place in The Pension Benefit Act . . . (inaudible interjection) . . .

I don't know if it's funny, but today the minister has been behaving basically very well. He's been serious up until now, and how he starts giggling and laughing — I say very

unbecoming, very unbecoming of a Minister of Justice. I think that our debate that we've had up to now has been very formal. But I say for the minister to sit in your seat and laugh and giggle, I don't think that's the way we should be debating this. But I just say I'm not going to get into a harangue over whether or not this section 4 should be amended here in a consequential amendment Act. But we believe that it should have been done in another Bill, in the proper forum.

Hon. Mr. Dutchak: — Well, Mr. Chairman, the simple fact is that I don't believe in what the opposition member believes. Perhaps if he was a lawyer or if he would defer the questioning to the lawyers in his caucus, they would know what they were talking about, because he clearly doesn't know what he's talking about.

I believe the opposition has agreed with the intent of the Bill, and if he's consenting to the Bill, I wish he'd stop playing political games and let's get on with it.

Mr. Lingenfelter: — The minister has asked that I defer it to one of my colleagues who is a lawyer, so I will do that. If you want to play games and have a harangue, then we can do that. I will pass the file over to my colleague from the Quill Lakes and he will ask you a few questions. But I'll tell you that if you want to get into an argument about this area of trying to slip through issues in a consequential Bill that should be handled in another area, I will do that. But I'll tell you that if you're saying that you know that this should be in the Bill and there's no problem with it, you're wrong. You're very wrong.

And I say to you that this is an example; it's not a big one, but it's a trend that we see happening with this government. We are trying to slip little things through here, and it grows and grows, and if we let you birds get away with it, without making a statement, the next thing you know you'll be selling off a Crown corporation in one of the consequential Bills. That's how you birds carry on.

Hon. Mr. Dutchak: — Well, Mr. Chairman, I'm not sure there's anything of substance to respond to. We think this legislation is important; that's why it's brought here for full debate. The member is discussing some legal issues which he clearly doesn't understand. The intent of the Act, I think he should be able to understand. He hasn't addressed his mind to that. However, I really have nothing further to add because nothing of substance was raised.

Mr. Koskie: — Thank you, Mr. Chairman. I am rather shocked by the approach that the minister takes. A serious issue was raised by my colleague from Shaunavon. This recommendation has come after we have had legal advice — just pointing out the fact that it's very sloppy procedure. That's all we're doing, Mr. Minister, pointing out what it should have been.

(1115)

With respect to the pensions, the amendment should not be in the consequential amendments Act, but should in fact have been in the amendment to the Pensions Act. Basically from the standpoint of operating in the statutes, you should be able to go to the Pensions Act, and if there

is more than a consequential, then it should be filed in the Pensions Act. That's the point we're making. And all we're doing is raising this because in our review of it, and our lawyers that have taken a opportunity to look at it, indicate that this is their opinion. I concur with it.

I don't know why you get so defensive. Heaven knows the performance of this government and the sloppiness of management throughout this government is well-known throughout the province. In Canada it is one of the most mismanaged and sloppy governments in all of Canada. And that's all we're pointing out, is that you are a party to the sloppiness and mismanagement. And I don't think you should be offensive because what we're trying to do is to help you out of this morass of mismanagement. And that's what we're doing.

And don't say that it hasn't been looked at. It has. We've had lawyers look at it, and the recommendation that came to us is well-founded, I say. And all we're doing is raising it to your attention and ask you to give it a consideration in the future. And I don't think by raising it we should be insulted here in the House by someone of your calibre. I leave it at that, Mr. Minister, and allow it to go through in this sloppy mess, but let the record show that we raised that very issue.

Hon. Mr. Dutchak: — Well, Mr. Chairman, I don't want to get into political games with the opposition. The member just walks in, didn't hear the argument regarding the Bill, and he stands up and makes a political speech. I think what's important here: does the opposition agree, or don't they, with the Bill. The process which was followed was followed and constructed by the very competent people in the Department of Justice. And I'm frankly getting tired of the members opposite insulting the integrity and credibility of the people who do hard and good work for the province of Saskatchewan in my department.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 6 — An Act respecting the Application to Saskatchewan of the Convention on the Civil Aspects of International Child Abduction

Hon. Mr. Dutchak: — It will now be read a third time and passed under its title, Mr. Speaker.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 35 — An Act to amend The Reciprocal Enforcement of Maintenance Orders Act, 1983

Hon. Mr. Dutchak: — I move the Bill be read a third time and passed under its title, Mr. Speaker.

Motion agreed to, Bill read a third time and passed under its title.

**Bill No. 36 — An Act respecting the Consequential
Amendments to Certain Acts resulting from the enactment of
The Enforcement of Maintenance Orders Act**

Hon. Mr. Dutchak: — Mr. Speaker, I move the Bill be read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 41 — An Act respecting Stock Savings Plan Tax Credits be now read a second time.

Hon. Mr. Blakeney: — I had an opportunity to review, very briefly, the Bill with respect to stock savings plan tax credit, and I do want to make just a few remarks.

I think the minister's remarks suggest some appropriate responses, or responses which I certainly hope will be appropriate. The minister speaks of initiatives, including this particular Bill, or providing a strong signal that the investment climate has changed in Saskatchewan. I must say that if the climate has changed, it's none too soon, having regard to the performance of this government with respect to investment.

I want to refer all hon. members to the budget speech given by the member for Qu'Appelle-Lumsden, and particularly to page 42 of the printed budget speech which talks about public and private investment in Canada, and particularly about public and private investment in Saskatchewan, and it gives the dismal performance of this government with respect to generating public and private investments. It is laid out there; the totals are clear.

In 1981 the figure was \$5.15 billion, and it was lower than that in '82, and lower than that in '83, and lower than that in '84 - '82-83-84 were lower even in dollar terms than 1981 — and when corrected for inflation there would be a substantially lower level of public and private investment in Saskatchewan in each of those years. When we come to 1985 it becomes \$5.24 billion, fractionally above 1981 in current dollar terms, but when corrected for inflation in any constant dollar terms, investment in Saskatchewan in each of the years '82-83-84 and '85 was below 1981.

That, I think, tells its own story and it is . . . Even in, let us take manufacturing, which might be amenable to being encouraged by the measure put forward by the Minister of Finance, in every single year, 1982, 1983, 1984, and 1985, investment in manufacturing was lower than it was in 1981. And these, Mr. Speaker, again I say, are the figures put forward by the Minister of Finance in his budget speech.

He makes the point that these tax credit loopholes — and

that's certainly what they are; we call them credits when we put them in and call them loopholes when they're there for a while. But these tax credits loopholes, it is alleged that these will create jobs.

Well, may I point out what's happened to unemployment in this province between 1981 and 1985. The unemployment has increased by 90 per cent. I wonder, therefore, whether or not anyone can take great pride at the success of the measures put forward, measures similar to this, in previous budgets.

We have had the venture tax credit, the venture capital tax credit — perhaps more properly called that; the livestock investment tax credit; we will have a livestock facilities tax credit; and now a stock savings tax credit; and the labour-sponsored venture capital tax credit — all costing perhaps \$33 million for Saskatchewan taxpayers. These are significant sums, and at least so far the results in investment and in job creation have been dismal.

Once again, investment in manufacturing lower than in any years . . . lower in each year since 1981. And with respect to general investments, when corrected for inflation, lower in each year after 1981 — lower in '82, '83, '84 and '85 than 1981.

This Bill is said to cost us about \$4 million a year. I suppose that's an estimate. But that's the figure which the minister has included in his budget speech.

We have to ask ourselves: what percentage of the people of Saskatchewan will benefit from this Bill? We have to ask ourselves what percentage of the people of Saskatchewan will benefit from this Bill. I think we will find the number of people who will be able to take advantage of this Bill to be very, very small. Members suggest that I may be one of them. That may be true. That may be true! But I ask whether tax Bills should be structured to benefit people with incomes at the level of the senior ministers in this House, or whether they should be structured to benefit ordinary people with ordinary incomes . . . (inaudible interjection) . . .

Let's be very, very clear. The member for Weyburn says, what have we done for people with ordinary incomes? Well, we tried very hard, and will try again after the next election, to see that doctors of veterinary medicine and ministers of the Crown pay a fair share of the tax load, and that this load is not shifted onto ordinary people who have their property tax rebates taken away — their property improvement grants taken away.

I think therefore that people who are . . . Indeed I suggest that people who are doctors of veterinary medicine and lawyers — and I include both the member of Weyburn and myself in that ambit when we are not engaged in the activities of this House — I don't think that we pay our fair share, compared with what ordinary people pay. And I wonder why we should be . . . (inaudible interjection) . . .

(1130)

Well, Mr. Deputy Speaker, the member for Weyburn may take the position that doctors of veterinary medicines, their incomes are within the ordinary, normal, and

average range. That may be true. I do not know a great deal about that particular profession. I will talk about lawyers, a profession that I know something about. And I say that most lawyers who've been at the bar for 20 or 25 years have an income which is a good deal more than the average income of people who have been in the work-force for 20 or 25 years. And if people don't believe that, then they're not living in the real world. And I sometimes think that the members opposite believe that ordinary people have incomes like doctors of veterinary medicine or lawyers. But I don't think that's true, and I don't think we should necessarily be structuring our tax system to provide additional benefits for the lawyers or the vets, and not for ordinary people.

And I ask members opposite whether they believe that many ordinary people will be taking advantage of this. However there are certain benefits which may accrue, and no one is denying that — benefits which may accrue. I am making the points which need to be considered by all members of this House. And I hope that this House never becomes a forum where one puts a proposal on the table and the simple question is, are you for it or against it, without any discussion of its merits and its disadvantages.

And I am now putting forward some comments on this Bill which I think indicate that there are at least some things which need to be said about its provisions. And I hope that as the debate proceeds, members will enter the debate, tell us about what percentage of the people they feel would benefit from this Bill, and whether or not it represents the best way to make our tax system fairer.

Those, Mr. Acting Speaker, are comments I wanted to make at this time. I will have an opportunity to speak more fully in committee, not on the principle of the Bill, which as far as I'm aware is not under broad debate, but on the provisions of the Bill which I think will bear some consideration in committee.

I for my part am not clear on what particular stock issues will benefit from the Bill. I am clear, and I believe that it does not now include issues which are outstanding. I believe I am clear in that it will include issues by new companies that are qualified in the sense that they have 25 per cent of their payroll, or may have 25 per cent of their payroll in Saskatchewan. I am not clear about whether or not the Bill applies to further issues by existing companies where the shares are listed on a stock exchange.

There are, I would think, not more than five companies now with head offices in Saskatchewan which are listed on stock exchanges. I can think of four, quickly, but there may be more — but not many more. There are not many companies, now in existence, the shares of which will qualify if the Bill covers that particular piece of ground. but, Mr. Acting Speaker, I think many of these points are best pursued in committee, and accordingly I will be concluding my remarks at this point and pursuing these points in committee.

Mr. Shillington: — Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, I have a concern about this Bill . . . (inaudible interjection) . . . Well you're going to hear about it if you can be patient. If the member from

Indian Head-Wolseley can be patient, you'll hear about it.

My concern has to do with the style of financing of public services which this government and other governments in Canada, to be fair to it, engage in. We have on the order paper today three Bills which provide for exemptions — credits, as my colleague says, when they go in, and loopholes after they've been there for a while. We have three Bills on this order paper which provide loopholes in The Income Tax Act.

I do not know how long it is going to take Conservative governments in this country to realize that the most important service which governments can provide for business is to provide soundly financed public services and a sound currency. And when governments fail to raise sufficient revenue for public services, when they allow deficits to accumulate, then, Mr. Speaker, they're doing the business community a disservice.

I for one find exemptions to The Income Tax Act, which provide for exemptions to wealthy people, objectionable. They are certainly not in the interest of fairness and equity. They are not, Mr. Speaker, either, I think, in the interests of the business community whom they're designed to serve. No great service is done to the business community, Mr. Deputy Speaker, by running the public service and the fiscal affairs of the province in the fashion in which this government has done.

I remind you, Mr. Deputy Speaker, that this government took office in 1982 with a balanced budget and per capita debt which was the lowest in Canada. Four years later . . . Mr. Deputy Speaker, I don't know if I have the floor or if the member from Weyburn has it, but it is getting very difficult to talk with him yelling from his seat. He had every opportunity to get up and speak and chose not to. I suggest to the member from Weyburn, if you have some comments, make them publicly. If you don't, try and remember your manners, Mr. Member.

Mr. Deputy Speaker, this government took office at a time, Mr. Deputy Speaker, when the budget of this province was balanced, when the per capita debt, in gross terms, was the lowest in Canada. It no longer is the lowest in Canada. We're now fourth high in Canada. In addition, Mr. Deputy Speaker, we now have a deficit for this last fiscal year which I predict, when the public accounts are in, is going to be the highest in Canada, west of the Maritimes. All that has been accomplished in four short years.

So, Mr. Deputy Speaker, we have a problem in this country with financing of public services. It is not acceptable to the public to cut back on public services, and the Conservative governments in office won't finance them. And that, Mr. Minister, in the long run to fail to adequately and soundly finance public services does the country no good, it does the business community no good, and it certainly does the taxpayer no good.

Mr. Minister, what we have in this Bill is a key reason why Canada has the highest per capita debt of any of the seven industrialized nations. That's a fact. This country, with all of the advantages in the world, an endless supply of

timber, fresh water, arable land, a mineral base on the Canadian Shield which is probably unexcelled in gross terms in the world with all of that and all those advantages spread among 22 million people, we have the highest per capita debt among the industrialized nations. And all of that isn't directly laid at the door of this government, except that this government has proceeded to exacerbate the problem in this province with a deficit which is simply running away on them.

They stated it to be 500 . . . (inaudible interjection) . . . Well there the member from Weyburn goes again. It is impossible to carry on a debate with members braying away, knowing they have nothing to say on their feet because what they say on their feet is subject to examination. What they say from their seat goes unrecorded and accordingly doesn't come back to embarrass them. If the member from Weyburn had anything intelligent to say, he'd say it from his seat.

An Hon. Member: — Order.

Mr. Shillington: — Now we're getting the really witty repartees from the back row, telling me to shut up. That's one of the brightest things I've heard said — one of the brightest things I've heard said from the member from Moosomin — one of the brightest things I've heard said.

Mr. Birkbeck: — Mr. Deputy Speaker, on a point of order. Well the member for Regina Centre just indicated that I had told him to shut up, and that is not true, albeit I should have maybe, but I didn't. I just called for a little order because I, in my opinion, thought that he was a bit off of the issue of the day.

Mr. Deputy Speaker: — I don't find the point of order in order, and would the member please continue.

Mr. Shillington: — In that case, Mr. Deputy Speaker, I take the word of the member from Moosomin and accuse the member from Saskatoon Eastview of telling me to shut up . . .

Mr. Deputy Speaker: — Order, order, order. If the member would like to get on to the discussion in the debate, well I will . . . (inaudible interjection) . . . Order, order. The debate continues.

Mr. Shillington: — Mr. Deputy Speaker, one of the key problems in this province is the level of public debt that has accumulated in four years. And if members opposite think that that is not an issue, then all I can say is they need to get out of this Assembly and onto Main Street, Saskatchewan, and listen to the business community. Because the business community, if they are critical of this government — and they are becoming increasingly so — one of the issues that they raise is the deficit. They are as concerned about it as anybody.

What we have here, Mr. Deputy Speaker, is a Bill which is one of the key reasons why this country has the highest per capita debt of any of the industrialized nations. Why? Because, Mr. Speaker, The Income Tax Act, which ought to be a prime engine of financing public services, is riddled with these problems. And now we have another one.

What we have is an exemption for the rich, and the member from Regina Elphinstone is quite accurate. Ordinary people may, I suppose, on occasion invest in the stock market. But they buy Royal Bank shares or Bell Canada shares, General Motors shares — something with a proven record of dividends. Apart from Ipsco — and I think one might now exempt that company — there's virtually no Saskatchewan company with a well-established record of dividends. They are mostly newer companies who don't qualify for the widow's pensions, etc.

What we have here is an exemption which will accrue to speculative investors — relatively sophisticated investors, relatively affluent investors. Because to gain this \$3,000 exemption, you have to invest a fair amount of money in a highly speculative venture and you've got to be prepared to lose it. And that doesn't include ordinary people who cannot afford to lose their \$10,000 or \$20,000 that they invest. They put it in Bell Canada, Royal Bank, General Motors, etc.

It is the affluent investor who has \$10,000 to lose, and who has a sufficient knowledge of the workings of the stock exchange and the security market to invest, who puts his money into these type of ventures. It is, Mr. Speaker, the doctors, the lawyers, those . . .

An Hon. Member: — Vets.

Mr. Shillington: — Well, most veterinarians, except some members opposite who don't seem to be able to make a living practising veterinarian — don't seem to be able to make the normal living that a veterinarian enjoys. It is the wealthy, the speculative investor who is going to take advantage of this. And this, Mr. Deputy Speaker, is what's wrong with The Income Tax Act. It is what is wrong with the financing of this country's public services.

(1145)

Mr. Speaker, what happens when you implant these exemptions in The Income Tax Act, the result of so doing is that the affluent escape taxation, and they do. The tax system in this country is a scandal. It's an absolute scandal. The number of affluent people, Mr. Speaker, who avoid paying a significant amount of income tax would embarrass any country but this one. The affluent avoid the Income Tax Act., the less affluent say the system isn't fair, and if they — meaning the wealthy — aren't going to pay income tax, I'm not going to pay income tax. And an alarming number of people seek, by fair means or foul, to avoid paying income tax.

And then you have yet another chain reaction of the Department of National Revenue attempting to enforce it and perhaps going overboard, but meeting a problem of a citizenry which doesn't respect the fairness of the Income Tax Act. When they don't respect its fairness, they do not always understand their obligation to pay. Well these kind of tax exemptions which riddle the Income tax Act with unfairness have long-run and widespread, serious consequences, and we have three of them on this Bill today.

So I say, Mr. Minister, and Mr. Deputy Speaker, this Bill is not one to be taken lightly. These kinds of exemptions lie at the very heart and soul of the problems this country is having in financing public services. And our problems, I say again, are among the most severe in the world. There are other countries which have a more difficult time meeting their debts, but none with Canada's level of standard of living, level of affluence, or natural resources.

Mr. Minister, the members opposite think it's always good politics to be putting money in someone's pocket. Perhaps, Mr. Minister, perhaps, Mr. Deputy Speaker, taken on an individual case that's true. The speculative, the sophisticated investor may think this is good politics. I don't think the widows are. And I don't think the ordinary people are who know that they're unlikely to put money in a company as defined by this Bill.

Mr. Speaker, the whole approach of this government is that you can buy voters one at a time. You take the oil industry, Mr. Speaker, and you pour money in their pockets and you've got some friends. And this has been their whole approach to governing, is that one by one, one group after another, you buy them off.

The cumulative effect however, Mr. Speaker, is disaster. The cumulative effect is that you have a deficit which is out of control, which is certainly the most rapidly increasing in Canada. I say, when the Public Accounts come in, Mr. Deputy Speaker, that this Bill . . . that Saskatchewan will have the highest operating deficit in per capita terms in Canada west of The Maritimes when the Public Accounts are in. To compare this province to The Maritimes is to make a totally unfair comparison. They are provinces which don't have anywhere near our resources. They have no oil revenue, very little expense, very little minerals, and a much more difficult time than we do.

Mr. Speaker, the legislation that is brought forward today raises some very serious issues about financing of public services, among the most serious issues which governments face.

The members today have debated a number of Bills, spent some time on them, as well they should. None of them I think, begin to approach the importance of this Bill in the questions it raises.

I heard some figures given the other day by the Minister of Finance with respect to what he thought this Bill was going to do. I can only say that if we are going to approve an exacerbation of the problem — and this Bill is an exacerbation of this country's fiscal problems — then the results had better be spectacular. I, somehow or other, am not convinced.

Mr. Speaker, I want an opportunity to consider this Bill in the light of what the Minister of Finance said, in the light of other information which will be available to us as we have time, over the weekend and in the next few days, to consider other sources of information. I therefore, Mr. Speaker, beg leave to adjourn debate.

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Devine that Bill No. 30 — **An Act respecting a Livestock Facilities Tax Credit** be now read a second time.

Motion agreed to, Bill read a third time and passed under its title.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Devine that Bill No. 39 — **An Act to amend The Livestock Investment Tax Credit Act** be now read a second time.

Mr. Engel: — Mr. Deputy Speaker, last day we discussed some aspects of this Bill that really troubled me. The concern was that we're anxious here to provide exemptions for wealthy people that are involved in the cattle industry, as far as paying income tax exemptions. And the Bill is in a time period — for 1987, '88, and '89 — that is way, way beyond the mandate of this government.

And I think that it's unnecessary, unnecessary to deal with tax give-aways that are not conducive to a healthy agricultural environment at this time. If we want a healthy livestock industry in Saskatchewan, make \$5 million available to starting farmers. According to the budget, there's \$5 million for one Bill and 4.5 million for the other. And we're making \$5 million available through the livestock investment tax credit system, and that \$5 million would help a lot of young farmers that aren't paying tax, Mr. Deputy Speaker.

You, in your background, know that only those people that are making a fair return are paying any income tax. And this Bill makes \$5 million available in tax credits to people that are paying income tax, and yet as far as the livestock industry is concerned — to encourage young people to take over their ranches of their dads that are trying to get out of it, and to encourage the livestock industry in general — isn't doing anything for it. It's not a stimulus.

It's a Bill that is doing something that we don't think should be happening, and at a time when you don't have a mandate; you don't know if you're going to be the government in 1987 and 1988 and 1989. I think it's ridiculous to proceed with this Bill, and we'll try and see if we can come up with the means to delay the passage of this Bill in third reading, Mr. Deputy Speaker.

Hon. Mr. Hepworth: — Thank you, Mr. Speaker. In response to two or three of the points that were made by the member for Assiniboia-Gravelbourg in debate on this Bill, he first makes the point that, once again, the classic NDP line that it's only the wealthy — everybody but farmers, in their mind — who enjoy the benefits of this tax credit.

The fact of the matter is, Mr. Speaker, he has his facts wrong again. He stood before this House, Mr. Speaker, and said quite clearly that it is only the lawyers and the rich investors and the doctors that in fact benefit from this Bill. Mr. Speaker, the fact of the matter is, in the '85 tax year, of the 4.1 millions of dollars in tax credits,

everything but 123,000 went to producers, Mr. Speaker — nearly 4 millions of dollars, Mr. Speaker, Once again the NDP are wrong and leaving the wrong impression out there in the public's mind.

He secondly made the point, Mr. Speaker, that the time frame for this Bill is entirely beyond our mandate because it goes for the next three years, that that's not healthy for the industry. Well, Mr. Speaker, he — he as much as anybody should know that if one thing a farmer needs, it's to know what the rules are for the next three or four years so he can plan for the future. Because you don't buy cows today and have a calf and get them all fattened up in one month, Mr. Speaker.

It takes time to establish a herd, build up a feedlot and that's exactly what's happening out there, Mr. Speaker. So I would argue that it makes sense for the ranchers and the farmers and the feedlot operators of this province to know what the rules are going to be, not just for the next month or six months, but in fact for the next three years.

We shouldn't be surprised by the attack of the NDP opposition on this Bill, Mr. Speaker. They attacked it before when we introduced it in this House, and they attack it now. They are against the farmers in this province, Mr. Speaker, receiving some tax breaks.

It was okay to have tax breaks and tax incentives, you know, for the central Canadian manufacturing industries; never once in their term did they introduce tax breaks for Saskatchewan farmers, Mr. Speaker. And for a party who loudly caws about tax reform and fairness, Mr. Speaker, their silence has been deafening on this one, Mr. Speaker, when it comes to standing up for Saskatchewan farmers and Saskatchewan cattlemen and Saskatchewan producers, Mr. Speaker.

In his remarks, Mr. Speaker — and I checked these carefully — the hon. member takes the two tacks. On the one hand he says that . . . what we see here today is some politicking to try and get the ranchers back on-side and then at the same time in a later place in this debate he says it's only the rich investors and the lawyers. Now you can't have it both ways. Either the ranchers, Mr. Speaker, are getting the breaks, as we believe they are, or he is wrong in his conclusions, Mr. Speaker.

I believe, Mr. Speaker . . .

An Hon. Member: — . . . Point of order, Mr. Speaker.

Mr. Deputy Speaker: — State your point of order.

Mr. Engel: — Mr. Deputy Speaker, I would like the minister to not deceive the House and read into the record where I said the point he's trying to say now. I have the record before me, and on a point of order, he is deceiving the House. I charge him with deceiving the House intentionally because I did not make that statement. He should read it . . .

Mr. Deputy Speaker: — Order, order. I do not find the point of order in order, and would the Minister of Energy and Mines proceed.

Hon. Mr. Hepworth: — Mr. Speaker, reading from page 13, 14, hon. Mr. Engel in debate here says, they won't be slap-happy programs that give tax breaks to the wealthy who are paying taxes, not ranchers . . .

We say, Mr. Speaker, the numbers clearly show, Mr. Speaker, that nearly \$4 million of these tax credits went to the producers. That's who we aimed it at, and we aimed it there because we want more cattle fattened here; we want the jobs that go with that fattening here; we want the jobs that go with the slaughtering in this province; we want the jobs that are put in place on Main Street, Saskatchewan, at the feed mills, and at the farm supply places because, Mr. Speaker, not only do we believe in agriculture, we believe in jobs for rural people and urban people, and that's what this Bill is all about, Mr. Deputy Speaker.

And I urge all members of the Assembly to support this legislation for the rural families out there and for their children and for those who are looking for jobs out there in rural Saskatchewan, Mr. Deputy Speaker.

Motion agreed to on the following recorded division.

Yeas - 33

Birkbeck	Morin
Andrew	McLaren
Berntson	Bacon
Lane	Parker
Taylor	Young
Pickering	Hopfner
Hardy	Rybchuk
Smith (Swift Current)	Baker
Myers	Gerich
Hepworth	Zazelenchuk
Dutchak	Swenson
Dirks	Blakeney
Embury	Tchorzewski
Sandberg	Engel
Klein	Koskie
Currie	Shillington
Smith (Moose Jaw South)	

Nays - 0

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 42 — **An Act to amend The Income Tax Act (No. 2)** be now read a second time.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Maxwell that Bill No. 43 — **An Act to amend The Wildlife Act** be now read a second time.

Motion agreed to, Bill read a second time and referred to a

committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Morin that Bill No. 28 — **An Act to amend The Education and Health Tax Act** be now read a second time.

Mr. Hopfner: — Thank you, Mr. Deputy Speaker. Yesterday, Mr. Deputy Speaker, I had the privilege of listening to the Leader of the Opposition speaking to this Bill. Mr. Deputy Speaker, the strength of this Bill has been the wish and the dream come true for the women, especially, of the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Hopfner: — Mr. Deputy Speaker, when we talk about that strength and we talk about the ordinary people, the Leader of the Opposition had indicated yesterday that basically this was a relatively small token. I find this very hard to believe, that the Leader of the Opposition could make such a flippant statement such as that.

I would like to indicate to you, Mr. Deputy Speaker, that when I was a child growing up, we were brought up believing that there were three very vital points, issues, that we had to address to be able to survive and to be able to get on in this world. And that was to provide for food, shelter, and clothing — three very important issues that are being addressed through such a Bill such as Bill 28.

When I talk about the issues of food, shelter, and clothing, I would like to indicate to you that through these three very important items that I've just mentioned is that the majority of women in this province do carry out the budgetary of the home. And the majority of the women today have that exercise, and it is not a very, very light exercise to have to be responsible for in the household.

I'd like to say to you, Mr. Deputy Speaker, that when the women go to the clothing stores, they appreciated the fact that the 5 per cent tax had been removed on the clothing. I would like to indicate to you, Mr. Deputy Speaker, that when we are talking about the items of food and clothing, that probably as many times as women go to a grocery store, at the same time they are buying some sort of a clothing item that is for their children or husband or themselves. So I'd like to indicate to you that the savings have generated a profitable income to the individuals as they proceed through their purchasing.

I would like to indicate to you, Mr. Deputy Speaker, that now it's no longer up to the age of 14; it's for all ages, from juniors right through to seniors. Teenagers today, Mr. Deputy Speaker, are probably one of the more lucrative group of people in the province or across the country, in which the removal of this tax is very essential to them and a very, very dollar-saving item to them.

Because teenagers . . . As I know when I was a teenager, we would go through various fads and we had to have this or that to kind of stay within the realms of the various different types of clothing that hit the markets from year to year, and various styles, etc. So it's a very expensive time throughout their lifetime to be growing and spending their dollars on the clothing aspect.

So I'd like to say that this particular Bill has touched all segments, and the teenagers are going to be able to really show and see the savings that they acquired throughout their years.

But when we got and look at all segments, I can say that it's hit the seniors, where the seniors are . . . where they want to buy clothing for their granddaughters or grandsons or their daughters and sons, that their income levels of earning are not there any longer, so it's going to be definitely a benefit to the seniors.

What I would like to say, that when the Leader of the Opposition was speaking yesterday, he had mentioned that he would like to talk in the generality of the taxation; and I too, Mr. Deputy Speaker, would like to have that privilege.

(1215)

The Leader of the Opposition had misled the House, and probably in a very sincere meaning, because from the years I've spent in this legislature I've heard much misleading from the members of the NDP opposition. The Leader of the Opposition clearly stated yesterday that all members on the government side had ran campaign ads that we were going to remove the 5 per cent tax in the first term of office — clearly said that, clearly said that we ran half-page ads, full-page ads. Mr. Deputy Speaker, that is a blatant untruth.

I will challenge the Leader of the Opposition right now. I will challenge the Leader of the Opposition right now, Mr. Deputy Speaker, to pick up any piece of literature, campaign literature, from my campaign. I will challenge him to bring forth any piece of literature from my election campaign back in 1982. And I will challenge him to produce that, as he said he would — as he said he would — in this Assembly, to say that I said that we would remove the 5 per cent E & H tax in our first term of office.

Not such a bad idea. I'm all for that. I would have been all for removing the 5 per cent E & H tax in our first term. And it's not over. I mean, there's many things can happen. But I'm saying is, if the condition of this province, the treasury of this province, would have been in a better shape than what we found it in, Mr. Deputy Speaker, we probably could have.

When we look at the various, various types of rhetoric that comes from across the floor . . . I would just like to move into some of the things that where we could maybe broaden on our tax base to do such things for the province of Saskatchewan, and things that my Premier are working on and has had announcements on.

Here are just a few of those items that, with the co-operation of the NDP, we'd probably have a lot more of. But, Mr. Deputy Speaker, you take Weyerhaeuser in Prince Albert; we have an agreement for a paper-mill in Saskatchewan. The NDP are out in Prince Albert; they're for it. In the legislature they're against it. Mr. Deputy Speaker, we have Gainers in North Battleford. Out there the Leader of the Opposition is for it; in here they're against it.

And I'll tell you that, through broadcasting the tax base through these jobs that these particular projects could create through job creations, would give us that opportunity, through the corporate tax collected, through the income tax collected, through all these jobs, it would create this kind of funding that we could eliminate the 5 per cent E & H totally — totally.

And I go on. The fertilizer plant in Regina — they're against it. But, Mr. Speaker, creation of jobs, and we could remove the 5 per cent E & H tax. We have power projects in Estevan. Again, jobs, tax, and we could remove the 5 per cent E & H tax — eliminate it completely on everything.

Upgraders in Regina and Lloydminster — out there they're for it; here they're against it. And believe me, Mr. Deputy Speaker, they are not friends of any corporation, small or large. They are not friends of anybody. They are power-hungry. And if we could have their co-operation, there would be many more; but that was just a list, an example.

I could go on, but I know that it is getting away from the guts of the Bill. What I would like to say is that those projects are job-creating projects that the Premier and our government have worked hard to get for Saskatchewan and for the Saskatchewan people to create the jobs, bring that income in, to bring that tax to the treasury, so we could eliminate the 5 per cent tax on totally everything.

Some Hon. Members: — Hear, hear!

Mr. Hopfner: — But, Mr. Deputy Speaker, the leader talks about promises made and promises broken, but I challenge him to bring those documents into this House that I have supposedly supposed to have said.

He also went into another point, Mr. Deputy Speaker; he talked about the tax on used vehicles; he talked about our hidden agenda. Well, Mr. Deputy Speaker, I to this day have not seen any hidden agenda. We've been an up-front government, we've been open, and we've been listening to the people of this province. But I would like to indicate to you that he is suggesting, he had suggested in the House yesterday that our hidden agenda would be to bring the tax back on used vehicles.

We humbly had admitted that it was not a proper tax; we humbly did it. We humbly admitted it to the province of Saskatchewan. And, Mr. Deputy Speaker, I can say that if the people want to believe those untruths — I mean, I cannot talk for those particular people, but I know that when it comes to belief, the belief of who they would sooner believe, then I think basically the rationale of the voter out there, whoever, will justifiably put it in the right place. And I'm sure that they do realize that we are moving ahead, moving strongly ahead, and that we are speaking the truth.

I would like to say that when he went on to talk about that we did not give a dollar back, a dollar back that we've collected — I think it was somewhere in the neighbourhood of 5 million — that we have not given a dollar back to these people, I want to indicate to you that he neglected to talk about the tax that they imposed, the

succession duty tax, what I would call the death tax. And, Mr. Deputy Speaker, they collected \$28 million on the death tax.

When a man or woman died, they had to pay tax on the inheritance — a tax that, even after the people went through the suffering of losing a loved one, they knocked on their door and said, now you're going to pay a death tax; you're going to pay a succession tax. Well, Mr. Deputy Speaker, that I call cold blood — cold blood! It's just unbelievable that could even have been thought of — a death tax!

They, Mr. Deputy Speaker, never indicated . . . The Leader of the Opposition asked, why do we not give this back? Why did we not give this \$5 million back to the people that bought these used vehicles? Well, I throw the other question out, Mr. Deputy Speaker. When the Leader of the Opposition can stand in this House and be so righteous, why did he not go to these widows and orphans and offer that \$28 million back to those widows and orphans that lost their loved one. I cannot understand the mentality of the Leader of the Opposition.

But I would just like to say, getting back to the Bill that the hon. minister has tabled here, I would like to say that the opportunities for the business in this province is going to be unreal. It's already beginning to happen. The Manitoba people are already lobbying their government, their NDP government, to drop the E & H tax along the border areas. And it's spreading like a disease because, Mr. Deputy Speaker, as you can well imagine, Manitobians are now driving into Saskatchewan to buy clothing for their families, for their loved ones.

Not only that, but a member has just reminded me that in the last session their government, the NDP Government of Manitoba, raised the E & H tax from 5 per cent to 6 per cent. You know, so the mentality of the socialists are to tax the ordinary people. They are against the corporations for coming into the province, so they're totally against job creation by these corporations coming in. so they're going to have to get the money from somewhere, and that somewhere is the ordinary people, the people that are trying to struggle and maintain jobs and to make a living.

So when we talk about the taxation system and the way it's been drawn — and they certainly can take credit for it, Mr. Deputy Speaker, for the increase from 31 per cent income tax to 51 per cent. I mean, it wasn't our government that raised the income tax level in this province to that height. It was not our government; it was the NDP when they were government.

Mr. Deputy Speaker, when I hear the member from Shaunavon in his statements where he said . . . a cynical plan to promise to the people of the province of Saskatchewan to remove the sales tax. I mean, I don't even think he was thinking when he said that, a cynical plan.

They have no intention, Mr. Speaker, if they were ever government again in this province — which I know the people have other plans for them — but if they were ever government in the future, that the people of this province can rest assured that they will not be paying 5 per cent

E & H tax.

But I wouldn't be a bit surprised if they weren't something equivalent to the eastern parts of our country here and paying 10, 11, and 12 per cent, because they will drive every bit of industry out of this province. They will drive every bit of industry out of this province and they will have to tax the ordinary people. They will have to tax the ordinary people to supply all the benefits, all the benefits, Mr. Deputy Speaker, to the province.

If they get back in as government . . . if they get back in as government in the future, what is their hidden agenda? What is their hidden agenda? I ask you: what is their hidden agenda? they will not have industry in this province. They will not have any corporate tax to collect in this province. So I can see that there may be another referendum in this province on nursing homes. There may be the moratorium on nursing homes again, the moratorium on nursing homes in this province again. There will also, Mr. Deputy Speaker, may be no more construction on our hospitals, because where will they get the dollars? Where will they get the dollars to pay for all this construction?

An Hon. Member: — Mr. Chairman, a point of order.

Mr. Deputy Speaker: — State your point of order.

Mr. Koskie: — My point of order, Mr. Deputy Speaker, is that we have sat here and watched the member wander all over the globe in respect to the subject matter, and has very seldom mentioned the Act and the contents and the principles of the Act which we should in fact be debating. And I was wondering if the Deputy Speaker has been listening, and whether he would concur with that and make a ruling.

(1230)

Mr. Deputy Speaker: — I can assure the member that I have been listening. Order. And I have heard him tie it in, whatever he has been saying, back to the tax, to the Bill at hand. And I would ask that the debate continue.

An Hon. Member: — New point of order, Mr. Chairman.

Mr. Deputy Speaker: — State your point of order.

Mr. Engel: — My point of order is this: will you give the opposition the same latitude?

Mr. Deputy Speaker: — That is not a point of order. That is not a point of order, and I would ask the debate to continue.

Mr. Hopfner: — Well, Mr. Deputy Speaker, I know there's many others that would like to speak on it, but I'd just like to finish up by saying with a final point. With my minister's introduction of this Bill, the removal of the clothing, I'd just like to wrap it up by just saying that, if the members opposite ever got back in, the sales tax on clothing would probably go back on; the sales tax on gasoline would probably go back on.

And, Mr. Speaker, I would just like to say that our

government is committed to less tax for the ordinary people of this province. And I would like to say that when they talk about our hidden agenda, we do not have a hidden agenda. We buried the sales tax on gasoline; we've buried other taxes. And, Mr. Speaker, I would just like to assure you and the people of this province that we will keep those taxes buried, that we will keep those taxes buried just like we'll keep the NDP opposition buried in this province.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Thank you, Mr. Deputy Speaker. I want to basically address a few comments in respect to the Bill before us, and that is in respect to the sales tax. I want to say, Mr. Deputy Speaker, that the party opposite in the last election made two specific promises — two very, very significant and major promises.

And the first promise was that they were going to cut income tax on the average of 10 per cent. And you will remember that, Mr. Deputy Speaker, that was the most major promise made by the party opposite, that they would in fact eliminate the sales tax in the first term of office?

The second promise they made was in respect to what we're dealing with, and that is sales tax. And do you know, Mr. Deputy Speaker, that was the most major promise made by the party opposite, that they would in fact eliminate the sales tax in the first term of office?

The member from Cut Knife-Lloyd gave us a challenge. He said, produce any documents to demonstrate that one of the major promises of the party opposite was indeed to eliminate the E & H tax. Well I'll tell you, I have one here from the leader of the . . . now the Premier, and let's take a look at what the Premier put in his pamphlet. And let me tell you, this pamphlet was not restricted to the Premier's constituency — it was not restricted to his constituency. It was used throughout the province.

And I'll tell you what it says in respect to the elimination of the 5 per cent E & H tax. It says, "This measure will be the first phase of the new PC government's commitment to the complete elimination of the sales tax in its first term of office." Fairly clear. Fairly clear. We have the member, again, from Weyburn, who never gets into the debate — they don't allow him to — but he's chirping from his seat. He won't enter the debate. He wants to interfere while we put forward.

I know it's very touchy because what they have done is breached one of the major planks in their platform. Do you know what they were promising the people of Saskatchewan when they said that they would eliminate totally in the first term of office the E & H tax? I'll tell you, Mr. Deputy Speaker. Do you know what it was? For each point on the E & H tax, 5 per cent sales tax, for each point it's over \$70 million. That is the promise that you are making to the people of Saskatchewan and asking them to vote for you, that you would in fact have a rebate of \$370 million.

Well let's see what this here honourable party, this party which said they would reduce taxation, have done. Let's take a look at the taxation policies of the government

opposite versus their promises. Promises they said . . . and I'll go over it again so all can be clear. They said in respect to the E & H tax, the sales tax, the measure will . . . The elimination of the 5 per cent sales tax, the measure "will be the first phase of a PC government's commitment to the complete elimination of sales tax in its first term of office." That is the commitment.

And I'll tell you I have further advertisements here, and time after time, and member after member, promised exactly the same thing. Here is one here from the . . . It says, "Walter Johnson, Progressive Conservative." He was running as a member that time. You know what it says here? "Reduce provincial income tax — 10 per cent reduction in provincial income tax." That was what they said. "Sales tax: eliminate the sales tax — 5 per cent on clothing and utilities right now, remainder in the first term of office." Remainder in the first term of office — this was the commitment, Mr. Speaker.

And when you look at sales tax today, and what this government is budgeting to raise from sales tax, do you know how much the total revenue that they're going to get from the E & H tax this year for their budget? It's \$386 million; sales tax — \$386 million. And this is the tax which they said to the people of Saskatchewan: vote for me, and we will eliminate the E & H tax during the first term of office.

And I'll tell you, you deceived the people of Saskatchewan once, but you won't do it again. And it's evident that you can't do it because you're hanging and clinging onto office. You're afraid to call an election. You threatened to do it. You got all your committee rooms all over the province and now you have to back down. You're cowardly. If you had any confidence, and if you had kept your promise, you'd have nothing to fear.

But you promised the people of Saskatchewan to totally eliminate the E & H tax. Do you know how much that would be, Mr. Deputy Chairman, this year, if they had kept it? If you look at the revenues, it's \$386 million. That was the price. That was the carrot that they offered to the electorate to elect this here group of birds that can't manage this province.

And if you look, Mr. Speaker, in respect to all of their taxation policy, they said they would reduce the income tax. Well let's take a look at income tax, too. And do you know what you find? They introduced in their budget — this most intelligent budget — do you recall that? The member from Kindersley will recall that most intelligent budget, the one that destroyed him, that kicked him out of office, out of the portfolio — an intelligent budget, the one that destroyed him, that kicked him out of office, out of the portfolio — an intelligent one. He brought in this intelligent budget, and he said, well, I've got a real budget here. And you know what he did? He put on, imposed a flat tax — a second income tax on the people of Saskatchewan. That's what he did. A second tax. And you know how much he raised in respect to the flat tax, Mr. Chairman? Do you know? — \$106 million increase in taxation on the people of Saskatchewan, and he promised that he was going to reduce the income tax by 10 per cent; \$106 million increase in revenues through the flat tax. That's what he did.

And what other good things did they do for the people of

this province in respect to taxation, Mr. Deputy Speaker? Well let's take a look at it. They increased massively the income tax by putting a surcharge on the basic net income: \$106 million they plucked out of the pockets of the citizens of Saskatchewan when they in fact said that they would reduce income tax by 10 per cent. What a sham! What a disgrace! What misleading of the public!

Why should you have any trust left? Why should they trust you when what you promised, and then watched and see what you have done. That's what you've done. You said, vote for us and we'll cut your E & H tax. That's what they said. Every one of them said it because their leader said it. It was their policy.

And I say to you, now what they're bringing forward here — and I want to relate it to the specific provisions here. And the member from Cut Knife-Lloyd gets up and waddles around and says it never was promised. Well I'll say that they're ashamed to admit that it was promised, but all the people of Saskatchewan know that they promised to eliminate the E & H tax in the first year of office.

Do you realize what the Premier said after being elected, and I heard him being interviewed. And they asked him this question: are you sure you can eliminate the E & H tax? He said, no problem at all. In the first term of office we'll get rid of the E & H tax.

Well, I'll tell you, they . . . \$386 million they're plucking from the pockets of the people of Saskatchewan. And then with income tax which they promised, they are again taking \$106 million additional income.

And let's go on and see how good a treatment you have given to the people of this province. And I'll ask you: go around Saskatchewan and say, has your tax load been lessened under these birds opposite?

And I'll tell you another step that they took, Mr. Deputy Speaker. Do you know what they did? They took and removed the property improvement grant. And you know . . .

Mr. Deputy Speaker: — Order, order. Order. Order. Order. I have allowed the member to stray into the income tax field . . . (inaudible interjection) . . . Order. Order, order! When I'm on my feet I believe I deserve the same respect as the Speaker himself. And I am asking for order, and I intend to get it.

An Hon. Member: — Respect has to be earned.

Mr. Deputy Speaker: — I will ask the member to continue the debate, but we're not talking about property improvement . . . (inaudible interjection) . . . Order. Order. I am warning the members. The debate continues.

(1245)

Mr. Koskie: — I want to thank you so much, Mr. Deputy Chairman. If you are really . . . I'll abide by your ruling. But I wanted to restrict to the basic principles here with the member from Cut Knife-Lloyd. I wish you had started at that point.

Let me relate my comments — let me relate my comments. Here we are talking about their taxation policies — taxation policies. We're talking about sales tax. And I'm talking about a specific promise that you birds made. You indicated to the people of this province that you would, in fact, eliminate the 5 per cent E & H tax. And you know what it would mean in terms . . . do you know what you were offering the people, deceiving the people? Well today, \$386 million. I'll say that you never intended to keep that promise. You wanted to deceive the public. I'll tell you, you got elected once deceiving the public, but you won't do it a second time — you won't do it a second time, I'll tell you.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Your game is up. People of Saskatchewan are looking for honesty and integrity in public life. They don't want half-truths and lies and misconceptions. They don't want a major promise being given to the people and then broken. And then just before an election, coming forward with a little tiny carrot and saying to the public of Saskatchewan, you're stupid enough that we can pass this over. Look at this. We only promised to eliminate it in the first term.

But do you know what they said? Now what we're going to do is give you a little carrot. And do you know what they're saying to the public in doing that? They're saying to the public: you're so stupid; that's what we think of you. That's what you're saying — that's what you're saying — that we can deceive you again by making minor concessions of about \$25 million.

I'm not against the concessions of reducing the E & H tax. We're supporting the principle. But let's expose the magnitude of deception that has taken place. That's what we have to do.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — The magnitude of the deception. And I want to say, Mr. Speaker, here is what they have done. Just before an election, they know they've got a problem with this here. They made a basic problem and they didn't keep it. So they said, well come along and we'll give a little bit, about \$25 million worth — about that, out of 386 million which they're raising. Yes. And do you know what they say? They think, then, that that will satisfy the public. But I'll tell you, Mr. Deputy Speaker, that it won't.

But how crass they are, how deceptive, how bold, how untruthful this outfit is opposite. Because you know what they did? They haven't kept a major promise, Mr. Deputy Speaker, of eliminating it, but do you know what they did? They didn't reduce the income tax, as they promised; they increased it. But do you know what they did besides? Is that they took away the property improvement grants again.

So let's look at all of the major thrusts of increase in taxation opposed to what they're doing here to try to save their political hides. But I'll tell you, you'll never be able to do it with deception of the public of the magnitude that you have perpetrated. And I say to you, I ask you, I invite

you to call the election.

And I'll tell you, one of the issues is going to be the deception and the misrepresentation. We're going to ask the public to look at the major promises of your party opposite, and we're going to . . . when you ask them to look at the new promises. And I'll tell you, the people of this province will not believe you birds again because you deceived them before, and they'll say you'll deceive them again.

They start talking about sales tax and the good position of the province. The member from Cut Knife-Lloyd went around, and he started talking about all of these undeveloped megaprojects that they're talking about . . . (inaudible interjection) . . . yes, but that was on taxation.

Well what I want to say is how badly the public have been deceived. What they're doing in order to attempt to try to get elected, because they know that they misrepresented to the public, a basic promise, and so they introduced this Bill, the sales tax Bill. But in truth, Mr. Speaker, what they have done is this: they are putting forward this legislation. But in truth, do you know what they have done? They have put on the backs of the public all of those additional taxes that I've talked about. But do you know what in addition they have done, Mr. Deputy Speaker, do you know what they have done besides? They have put in place in this province, in four years, a deficit of over \$2 billion.

Do you realize that the provincial debt here increased the global debt from 3.4 billion to 8.7 billion — from 3.4 billion to 8.7 billion is where the debt is standing at today. Do you realize that the accumulative debt in the Consolidated Fund is \$2 billion, Mr. Deputy Speaker. You don't realize what that is. Interest alone is over \$200 million annually — just on the interest on the debt in the Consolidated Funds.

And I'll tell you, Mr. Speaker . . . Mr. Deputy Speaker, do you know what is happening? Another deception is taking place, and people out there are saying, what has gone wrong in Saskatchewan. Look at the massiveness of the debt that is accumulating, and these birds are saying, things are so good. Well I'll tell you, Mr. Deputy Speaker, \$200 million of interest alone on the debt; do you realize what that would pay? That pays more, Mr. Minister, more than the total cost of medicare. So before we ever start to pay for health care or education or highways, do you know what we have to do as a result of the mismanagement of those birds across the way? We have to collect from the taxpayers of Saskatchewan \$200 million every year just to pay the interest; that's what we do. And then we can start . . . (inaudible interjection) . . . That's right — so the New York bankers can do well, so their friends, the bankers, can do well. That's who's doing well under the administration of this government. Do you know what the debt, the average debt on the average citizen, has risen to? Almost \$9,000 for every man, woman, and child.

And when we left office, I'll tell you, the state of the fiscal management of this province was unequalled anywhere in Canada. It was unequalled, and you can't deny it. We had the lowest per capita debt of anywhere in Canada. I'll

tell you, we had economic development . . .

Mr. Deputy Speaker: — Order, order, order, order. Order! Order, order. The member is straying so far from the Bill now, into the deficit . . . Order! The debate continues.

Mr. Koskie: — Mr. Deputy Speaker, I want to indicate that what is happening here is deception. They're going around saying, oh look what we are doing for you; we are giving you an exemption on clothing; what a wonderful thing we are; just look what we're doing! But do you know what they have done? They have driven this province into the greatest morass of fiscal mismanagement anywhere in Canada — \$2 billion in debt . . .

Mr. Deputy Speaker: — Order, order, order. Order!

Mr. Engel: — I challenge the Chair on this ruling because the man is tying it in with the Bill, Mr. Chairman. You're not being fair.

Mr. Deputy Speaker: — I have stated my ruling and that is it. If the member isn't . . . I will warn the member right now — from Assiniboia-Gravelbourg — that this will be the last time.

Mr. Koskie: — Thank you, Mr. Speaker. I want to, in summary form then, Mr. Speaker, just so that what is known, so that all that may be watching here today will know what's taking place, I want the public to know. Believe me. Laugh. All right, you go ahead and laugh, but I'll tell you I'm going to summarize what has taken place.

Here is a party that promised — and I'm going to summarize — you promised to eliminate the 5 per cent E & H tax in the first term of office. The magnitude of that promise is significant because it represents about \$70 million for each point, or \$360 million. That's what they said they would eliminate. Instead, what they have done is broken that promise. They also said they would eliminate — and time after time if you look at the election material of your leader, you'll find that he said they'd reduce income tax.

I say to you, and I say to the people of this province, you have been betrayed. It has been the biggest betrayal of any party in Canada.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — You came in and you said you'd have economic activity so that taxes could be reduced and promises could be kept. But you haven't kept them. And now what you're trying to do is to give some relief. But you've broken your promise, and what you have done is taken the people of Saskatchewan's credit card, and you've charged up a massive debt that they have to pay. You have mortgaged the future of young people of this country, and I'll tell you, you won't have a chance come the next election.

I say, Mr. Speaker, that this facade, this misconception that is taking place, this hooting across because it is touching a nerve, a sensitive nerve. Why else would they not allow me to speak, and shout from their seats? Why

are they hooting?

Do I have the floor, Mr. Deputy Speaker? Do I have the floor? Will you quieten them down?

I want to summarize exactly where it's at. So what we have here as I said, Mr. Deputy Speaker, we are not opposed, of course, to reducing taxes on the people of Saskatchewan, but this is not a reduction relative to the massiveness of the increase of taxation which I was explaining to you. And I say to you here today that the people of Saskatchewan are watching, and deception will not get you any further. The E & H tax you said you would eliminate, you've broken that major promise. Today you are collecting more from E & H than you were four years ago. Three hundred and eighty . . .

Mr. Deputy Speaker: — Order, order. Being near 1 o'clock this House now stands adjourned until 2 p.m. Monday.

The Assembly adjourned at 1 p.m.